

Message Text

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E.O.11652: GDS

TAGS: PFOR, EGEN

SUBJECT: CSCE: CONSULTATIONS WITH THE EC-9 ON ECONOMICS,
SCIENCE AND TECHNOLOGY AND THE ENVIRONMENT

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DEPARTMENT POUCHED ON DECEMBER 21 TO ECON COUNSELOR LETTER

FOR DELIVERY TO DR. RAINER LUCAS, SENIOR GERMAN DELEGATE
IN CSCE COMMITTEE II. LETTER CONTAINED US COMMENTS ON
EUROPEAN COMMUNITY DRAFT RESOLUTIONS ON INDUSTRIAL
COOPERATION FOR CONSIDERATION AT COMMUNITY MEETING
JANUARY 8-9 IN BONN AND AT SUBSEQUENT NATO MEETING
JANUARY 10-11. THE REMAINDER OF THIS MESSAGE CONSISTS
OF A SECOND LETTER TO DR. LUCAS WITH ONE ATTACHMENT
CONTAINING US COMMENTS ON OTHER COMMUNITY RESOLUTIONS.
IT WOULD BE APPRECIATED IF THE MESSAGE COULD BE DELIVERED
TO DR. LUCAS AS PROMPTLY AS POSSIBLE AND IN ANY EVENT
BEFORE THE COMMUNITY MEETING ON JANUARY 8. IF AN ANSWER
CAN BE ELICITED FROM LUCAS ON THE FINAL PARAGRAPH, ADVISE
DEPARTMENT SOONEST.

BEGIN TEXT.

HERRN DR. RAINER LUCAS
AUSWAERTIGES AMT (GRUPPE 42)
53 BONN POSTFACH

DEAR DR. LUCAS:

THIS LETTER SUPPLEMENTS MY LETTER TO YOU OF DECEMBER 21ST,
1973, WHICH OFFERED COMMENTS AND SUGGESTIONS ON THE
COMMUNITY'S DRAFT RESOLUTION COVERING INDUSTRIAL
COOPERATION. THIS LETTER CONVEYS COMMENTS ON DRAFT
RESOLUTIONS ON THE FOLLOWING ADDITIONAL COMMITTEE II
TOPICS: PROJECTS OF COMMON INTEREST, BUSINESS CONTACTS,
THE EXCHANGE OF COMMERCIAL INFORMATION, THE TRAINING
OF PERSONNEL, TOURISM AND INTERNATIONAL TRANSPORTATION,
SCIENCE AND TECHNOLOGY, AND THE ENVIRONMENT.

1. PROJECTS OF COMMON INTEREST: IN MY PREVIOUS
LETTER I RAISED THE QUESTION OF WHETHER IT WOULD BE
APPROPRIATE TO INTRODUCE A SEPARATE RESOLUTION ON PROJECTS
OF COMMON INTEREST. UPON FURTHER REVIEW OF THE COMMUNITY'S
DRAFT ON THIS SUBJECT, WE ARE STILL OF THE OPINION THAT
THE APPROACH ADOPTED SEEMS TO GIVE TOO MUCH EMPHASIS TO
THE CATEGORY OF COMMON INTEREST PROJECTS, WITHOUT ADE-
QUATELY DEFINING WHAT IS INTENDED. WE WOULD WELCOME THE
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OPPORTUNITY TO DISCUSS FURTHER THE COMMUNITY'S REASONS
FOR CHANGING ITS APPROACH FROM THE UNDERSTANDINGS REACHED
AT HELSINKI. PENDING SUCH DISCUSSION, WE WOULD LIKE TO
SUGGEST THAT THE COMMUNITY CONSIDER THE INCLUSION OF ITS
RESOLUTION AS ONE SECTION OF A BROADER RESOLUTION HEADED
"INDUSTRIAL COOPERATION AND PROJECTS OF COMMON INTEREST."
IN ADDITION, EVERYTHING IN THE DRAFT UP TO PARAGRAPH
SEVEN MIGHT BE REPLACED BY THE FOLLOWING INTRODUCTORY

PARAGRAPH:

"PROJECTS OF COMMON INTEREST

THE PARTICIPATING STATES

1. AGREE THAT AMONG THE FORMS OF INDUSTRIAL COOPERATION WHICH SHOULD BE ENCOURAGED ARE LONG-TERM PROJECTS WHICH WILL CONTRIBUTE TO THE HARMONIOUS AND COMPLEMENTARY DEVELOPMENT OF THEIR ECONOMIC POTENTIAL AND NATURAL RESOURCES. SUCH PROJECTS AFFECT THE BASIC ECONOMIC STRUCTURES OF THE PARTICIPATING COUNTRIES, ARE USUALLY ON A LARGE SCALE, OR EVEN REGIONAL OR SUB-REGIONAL IN SCOPE, AND MAY IN APPROPRIATE CASES BE PURSUED WITHIN THE FRAMEWORK OF LONG-TERM SUPPLY CONTRACTS."

2. BUSINESS CONTACTS: WE HAVE NO SUGGESTIONS TO OFFER ON THE FIRST SIX PARAGRAPHS. IN THE SEVENTH PARAGRAPH, WHICH NOW ENDS WITH THE PHRASE "CAN CONTACT INTERESTED INDIVIDUALS AND ORGANIZATIONS FOR PURPOSES OF TRADE PROMOTION," WE WOULD SUGGEST THAT IT BE REVISED TO: "...CAN ADVERTISE THEIR PRODUCTS AND CAN CONTACT INTERESTED INDIVIDUALS, ETC."

WE WOULD OFFER THE FOLLOWING REVISED LANGUAGE FOR THE ELEVENTH AND TWELFTH PARAGRAPHS OF THE RESOLUTION:

"BY FACILITATING ESTABLISHMENT ON THEIR TERRITORY OF PERMANENT OFFICES BY INTERESTED FOREIGN ENTERPRISES AND FINANCIAL ORGANIZATIONS ON THE BASIS OF ESTABLISHED CRITERIA, INCLUDING JOINT OFFICES FOR SMALL AND MEDIUM-SIZED FIRMS.

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"BY ASSURING THE AVAILABILITY OF OFFICE PREMISES AND HOUSING FOR FOREIGN BUSINESSMEN, AND ALSO OF NECESSARY FACILITIES, INCLUDING OFFICE EQUIPMENT, COMMUNICATIONS AND LOCAL PERSONNEL, ON THE SAME TERMS AS THOSE OFFERED TO OTHER USERS."

WE WOULD FURTHER ASK THE COMMUNITY TO CONSIDER THE INCLUSION OF AN ADDITIONAL CLAUSE, AS FOLLOWS:

"BY ASSURING THAT CURRENCY EXCHANGE ARRANGEMENTS, FEES AND TAXES ARE NOT SUCH AS TO DISCOURAGE BUSINESS CONTACTS."

3. EXCHANGE OF COMMERCIAL INFORMATION: THE

COMMUNITY'S DRAFT APPEARS TO US TO BE SATISFACTORY. WE WILL HAVE EDITORIAL CHANGES TO PROPOSE AT BRUSSELS.

4. TRAINING OF PERSONNEL: WHILE WE HAVE NO OBJECTION IN PRINCIPLE TO SUCH A RESOLUTION, WE WOULD LIKE TO HAVE AN OPPORTUNITY AT BRUSSELS TO DISCUSS THE TIMING OF ITS INTRODUCTION, PARTICULARLY WHEN THE EAST, ALTHOUGH THE PRINCIPAL BENEFICIARY, HAS NOT DEMONSTRATED GREAT INTEREST. WE ALSO HAVE SOME DIFFICULTIES WITH THE WORDING WHICH IMPLIES OBLIGATIONS TO ORGANIZE TRAINING OR ADVANCED TRAINING COURSES, TO ENTER INTO BILATERAL NEGOTIATIONS ON A GOVERNMENT LEVEL, AND TO UNDERTAKE INVENTORIES OF INSTITUTIONS. PREFERABLE LANGUAGE MIGHT BE THE FOLLOWING:

"THE PARTICIPATING STATES DECLARE THEMSELVES WILLING TO ENCOURAGE PROGRAMS OF TRAINING OR ADVANCED TRAINING COURSES FOR PROFESSIONALS AND TECHNICIANS FROM OTHER PARTICIPATING STATES, IN VARIOUS FIELDS OF ECONOMIC ACTIVITY, ESPECIALLY THOSE OF MANAGEMENT, BANKING AND COMMERCIAL TECHNIQUES. THE DETAILS OF THESE TRAINING ACTIVITIES -- THEIR DURATION, THEIR FINANCING, THE QUALIFICATION AND DEGREE LEVEL OF THOSE WHO WILL PARTICIPATE IN THEM -- WILL BE SUBJECT TO UNDERSTANDINGS REACHED AMONG
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APPROPRIATE AUTHORITIES OF THE INTERESTED STATES."

5. TOURISM: IN GENERAL, WE FIND THE RESOLUTION SATISFACTORY, ALTHOUGH WE WILL HAVE EDITORIAL CHANGES TO SUGGEST IN ORDER TO TAKE INTO ACCOUNT THE FACT THAT THE FEDERAL GOVERNMENT IN THE UNITED STATES INVOLVES ITSELF DIFFERENTLY IN THE TOURISTIC SECTOR THAN DO THE GOVERNMENTS OF SOME OTHER PARTICIPATING STATES. HOWEVER, WE DO WISH TO MAKE SEVERAL OBSERVATIONS AT THIS TIME:

(A) WE PROPOSE ADDING "AND OFFICIAL DOCUMENTATION" AFTER "FOREIGN CURRENCY" IN I(B). THIS CHANGE WOULD ADD A BIT OF REALISM TO THE DISCUSSION.

(B) IN I(C) TO TAKE INTO ACCOUNT FREE ENTERPRISE NATURE OF TOURISM IN US, TEXT SHOULD READ:

"BY MAKING AVAILABLE THE OPPORTUNITY FOR FOREIGN TRAVEL AGENCIES TO ESTABLISH THE NECESSARY FACILITIES FOR ADVERTISING THEIR RESPECTIVE COUNTRIES AND FOR OFFERING THEIR SERVICES TO PERSONS WISHING TO VISIT THOSE COUNTRIES."

(C) IN II, WE SUGGEST THAT "SEE TO IT" BE REPLACED BY "SEEK TO SEE THAT" AGAIN TO REFLECT THE FREE ENTERPRISE NATURE OF THE US SYSTEM.

(D) REGARDING I(D) AND III, BOTH IN BRACKETS IN THE EC TEXT, WE WISH TO BE MORE INFORMED ABOUT WHAT EXACTLY IS BEING PROPOSED TO THESE TEXTS.

6. TRANSPORTATION: WHILE THE RESOLUTION IS SATISFACTORY AS A WHOLE, WE WILL PROPOSE SEVERAL EDITORIAL CHANGES IN BRUSSELS. AT THIS TIME, HOWEVER, WE DO SUGGEST THE FOLLOWING REVISION OF NUMBERED PARAGRAPH THREE:

"3. EXPRESS THE DETERMINATION OF THE PARTICIPATING STATES TO FOSTER, WHILE BEARING IN MIND THEIR SPECIFIC CIRCUMSTANCES, DEVELOPMENT OF TECHNICAL, ADMINISTRATIVE AND PROCEDURAL METHODS FOR THE CONFIDENTIAL

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IMPROVEMENT AND SAFETY OF HIGHWAY, MARITIME, AIR, AND RIVER TRANSPORTATION."

7. SCIENCE AND TECHNOLOGY: THE CONSOLIDATED WESTERN PROPOSAL ON SCIENCE AND TECHNOLOGY IS BASICALLY ACCEPTABLE, WITH THE FOLLOWING RECOMMENDATIONS FOR MINOR MODIFICATION:

(A) IN THE THIRD PARAGRAPH OF THE PREAMBLE CHANGE TO "...COLLECTIVE LEVELS AMONG SCIENTISTS AND TECHNOLOGISTS, SCIENTIFIC INSTITUTIONS, AND COMMERCIAL ENTERPRISES..."

(B) IN I ON FORMS AND METHODS OF COOPERATION CHANGE PARAGRAPH 1 TO "DIRECT CONTACTS AND COOPERATIVE PROJECTS AMONG SCIENTISTS AND TECHNOLOGISTS AND INSTITUTIONS, BOTH PRIVATE AND GOVERNMENTAL."

(C) IN PARAGRAPH 5 (A) OF THE SAME SECTION CHANGE NORMAL TO "APPROPRIATE."

(D) IN THE INTRODUCTION TO SECTION II ON "REMOVAL OF OBSTACLES" CHANGE "UNDERTAKE," WHICH HAS A LEGAL CONNOTATION, TO "WILL SEEK TO."

(E) IN THE ANNEX ON AREAS OF COOPERATION, IT IS RECOMMENDED, IN LINE WITH AN UNDERSTANDING IN GENEVA TO SEEK MORE GENERAL AND COMPREHENSIVE DESCRIPTION OF AREAS, THAT THE FOLLOWING BE CHANGED TO READ:

"1. TRANSPORT: SURFACE TRANSPORTATION TECHNOLOGIES; AVIATION SAFETY; HIGHWAY TRAFFIC SAFETY; FACILITATION OF TRADE AND TRANSPORT DOCUMENTATION.

"3. ENERGY: IMPROVED DEVELOPMENT AND UTILIZATION OF CONVENTIONAL FUELS AND RESEARCH IN NEW ENERGY SOURCES, SUCH AS NUCLEAR FUSION, GEOTHERMAL AND SOLAR ENERGY."

"6. SEISMOLOGICAL RESEARCH AND EARTHQUAKE
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MECHANICS: EARTHQUAKE MONITORING AND PREDICTION TECHNIQUES; GEOLOGIC HAZARD ASSESSMENT, ESPECIALLY AS RELATED TO URBAN DEVELOPMENT.

"9. METEOROLOGY AND HYDROLOGY: IMPROVEMENT OF THE METEOROLOGICAL AND HYDROLOGICAL DATA COLLECTION, ANALYSIS, AND FORECAST DISTRIBUTION SYSTEM. (NOTE: THE US GOVERNMENT PREFERS NOT TO HAVE REFERENCE TO WEATHER MODIFICATION IN THE TEXT.)

"12. CHEMICAL AND MATERIALS RESEARCH: METALLO-ORGANIC COMPOUNDS; MICRO-MOLECULAR CHEMISTRY; COLLOIDS AND SURFACE CHEMISTRY; CATALYSIS; CHEMICAL INSTRUMENTATION; THERMOCHEMISTRY; ELECTROCHEMISTRY; REFRACTORY AND REACTIVE METALS AND ALLOYS; HIGH-PERFORMANCE ALLOYS; MATERIALS PROCESSING: METALS, POLYMERS, AND CERAMICS; COROSION.

"(F) TO BALANCE EASTERN INTEREST EXPRESSED IN THE GDR/HUNGARIAN DRAFT IN MANAGEMENT, DATA PROCESSING ETC., THE WEST MIGHT WISH TO ADD AN ADDITIONAL AREA FOR COOPERATION:

"13. BEHAVIORAL AND SOCIAL SCIENCES: INCLUDING ANTHROPOLOGY, PSYCHOLOGY, MATHEMATICAL ECONOMICS, MANAGEMENT SOURCES, AND SOCIOLOGY."

8. ENVIRONMENT: IN THE WESTERN DRAFT ON ENVIRONMENTAL PROTECTION, WE HAVE THE FOLLOWING RECOMMENDATIONS:

(A) IN SECTION II ON AREAS FOR COOPERATION, WE REITERATE AN EARLIER SUGGESTION WITH RESPECT TO

TOPICS 4 THROUGH 10 THAT THE RESTRICTING PHRASES
"EXCHANGE OF INFORMATION," "STUDY OF" AND "CONSIDERA-
TION OF" BE ELIMINATED FROM THE TEXT.

(B) SOMEWHERE IN SECTION ,I, MENTION SHOULD BE
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MADE OF COOPERATION WHICH WOULD SUPPORT THE
PRINCIPLE IN PARAGRAPH I,1, OF PREEMPTING ADVERSE
ENVIRONMENTAL CONSEQUENCES. WE SUGGEST PHRASE
-PROBABLE IMPACT ON THE ENVIRONMENT OF INTENDED
ACTIONS: E.G., LARGE CONSTRUCTION PROJECTS, NEW
CHEMICALS, NEW TECHNOLOGIES." WITH MINOR EDITING,
THIS COULD BE INCLUDED IN PARAGRAPH II, 1, WHICH
NOW DEALS WITH BASIC RESEARCH.

(C) REGARDING III, 4, SOME EDITING IS REQUIRED
TO AVOID LIMITING THE APPLICABILITY OF THE LISTED
FORMS OF COOPERATION TO SUBREGIONAL AND BILATERAL
PROGRAMS.

ON THE ASSUMPTION THAT THE COMMUNITY WILL NOT BE
DRAFTING A RESOLUTION COVERING ARBITRATION, WE HAVE
PREPARED SOME LANGUAGE WHICH WE WOULD BE WILLING TO
INTRODUCE IN THE CONFERENCE AFTER IT HAS BEEN REVIEWED
BY THE NATO CAUCUS. A COPY OF OUR DRAFT RESOLUTION IS
ATTACHED. WE WOULD APPRECIATE LEARNING COMMUNITY VIEWS
ON IT DURING THE BRUSSELS MEETING.

WE HAVE NOT RECEIVED FROM THE COMMUNITY A DRAFT
RESOLUTION COVERING THE SUBJECT MATTER OF PARAGRAPH 31
OF THE HELSINKI RECOMMENDATIONS. I WOULD APPRECIATE
HEARING FROM YOU AS TO WHETHER WE MAY EXPECT TO RECEIVE
A COMMUNITY DRAFT ON THIS PARAGRAPH, WHICH COULD TOUCH
ON IMPORTANT TRADE POLICY ISSUES, IF POSSIBLE BEFORE
THE BRUSSELS MEETING.

SINCERELY YOURS,

JEAN TARTTER
DEPUTY DIRECTOR
OFFICE OF EAST-WEST TRADE
DEPARTMENT OF STATE

ATTACHMENT:
DRAFT ON ARBITRATION

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RESOLUTION ON ARBITRATION OF COMMERCIAL DISPUTES

CONSIDERING THE PROMPT AND EQUITABLE SETTLEMENT OF
DISPUTES ARISING FROM COMMERCIAL TRANSACTIONS TO BE IN
THE INTEREST OF EXPANDING AND FACILITATING TRADE; AND

CONSIDERING THE REGULARIZATION OF THE MEANS OF
HANDLING SUCH DISPUTES AS PROMOTING THAT GOAL OF PROMPT
AND EQUITABLE SETTLEMENT;

THE PARTICIPATING STATES WILL ENCOURAGE FIRMS,
ORGANIZATIONS, AND AGENCIES TO INCLUDE IN COMMERCIAL
CONTRACTS PROVISIONS FOR THE ARBITRATION OF DISPUTES
ARISING FROM COMMERCIAL CONTRACTS. SUCH PROVISIONS
SHOULD STIPULATE THAT THE ARBITRATION BE EFFECTED IN
ACCORDANCE WITH THE ARBITRATION RULES OF THE INTERNATIONAL
CHAMBER OF COMMERCE IN PARIS AND SHOULD DESIGNATE A PLACE
OF ARBITRATION IN A THIRD COUNTRY WHICH IS PARTY TO THE
1958 CONVENTION IN THE RECOGNITION AND ENFORCEMENT
OF FOREIGN ARBITRAL AWARDS. THE PARTIES TO THE CONTRACT,
HOWEVER, MAY DECIDE UPON ANY OTHER FORM OF ARBITRATION
BY MUTUAL PREFERENCE AND AGREEMENT. END TEXT. KISSINGER

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